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A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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REDUCTIONS OF WAGES ARE HITTING WORKERS

Cuts Were Held Back Early in the Depression But Now the Lines Are Breaking

ARGUMENTS FOR AND AGAINST

Opinions Differ as to Effects on Depression and as to Justice of Cuts

The American Federation of Labor, representing the organized workers of the country, came together last week in Vancouver, British Columbia, in its annual convention. This body meets once a year to talk over the problems affecting the workers, to outline programs of legislation which it considers worthy of support, and to lay plans for negotiations with employers concerning problems of mutual interest. This year the convention met in an atmosphere of anxiety. The dominating theme was the reduction of wages which has either taken place or which, as our cartoon this week suggests, is hanging over the heads of employees throughout the United States and Canada.

Wages and Prosperity

There is nothing new or unusual about wage cuts in a time of depression. They nearly always come under such conditions. This time they have receded more slowly than is usually the case. The reason for this is that for some time business leaders had been coming to the position that high wages and prosperity go along together. The notion that a high standard of living among working people is a condition of prosperity had gained wide acceptance. Business men were boasting of this high standard of living. They were saying two years ago that high wages and consequent high consuming power on the part of the common people of the nation stood as the bulwark of national prosperity. Naturally, these industrial leaders were reluctant to reduce wages, thus cutting down the purchasing power of so many people and undermining what they had regarded as a foundation stone of good times. So when President Hoover called a number of them together shortly after the stock market crash two years ago, and asked them to continue the existing scales of wages, he met with a ready response. The great employers of labor promised not to cut wages, and the labor leaders in their turn agreed not to demand increases. The *status quo* was to be maintained.

But these decisions were based on the expectation that the slump in business would be short-lived. That hope was doomed to disappointment. Month by month trade sank to lower levels. A year went by, and now two years have passed, and there is still a question as to whether the bottom has been reached. After a few months of bad business the wage cutting began. The



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first workers to feel the effects were those who were not organized. Farm laborers and other workers who had not formed themselves into strong unions were obliged to take reductions in pay. At last the cuts began to be imposed upon the unionized workers. For a time a number of large corporations held out against the program of wage cutting. They had made a great deal of money during the years of plenty, and had a considerable reserve on hand so that they could pay higher wages without drawing too heavily upon their resources. But they were affected by the policies adopted by their competitors. A company might sincerely wish not to reduce wages, but if its competitor, going out for as large a share as possible of the small volume of business to be had, cut wages and then, having reduced expenses, cut prices, the company holding to the higher wage scale was placed in an embarrassing position. Concerning the recent wage cut inaugurated by the United States Steel Corporation after that company had held out for a long time against such a policy, the Springfield *Republican* says:

Hard realities, however, embrace the prolongation of the depression far beyond the time limit given to it a year or two ago, the intensifying of competition for a shrunken volume of business both domestic and foreign, and the economic burdens of unemployment and taxation. With the steel business in its present condition, for example, it

is difficult to see how the big steel companies can meet the price cutting of smaller rivals without reducing their own costs of production. Evidently, in the past two years, the United States Steel Corporation has put into effect all possible economies and has now no resource in reduction of costs except cutting wage scales.

Fall of Prices

In order to understand just what effect these wage cuts have had on the standard of living for the workers, one must take into account "real" wages as well as "money" wages. The real wages are to be measured by the purchasing power of the wage earner uses. If the price of the things the worker must buy falls 20 per cent, he can take a 20 per cent cut in wages and yet buy as much with his money as he did before. Many people, in justifying the wage cutting which has been going on, point out that the cost of living has actually declined materially during the last year or two, so that workers can take cuts in wages without really reducing their standard of living. Such is the idea graphically expressed by the cartoon which you will find on page 7.

There has been, as a matter of fact, a material reduction in prices. The Bureau of Labor Statistics of the United States Department of Labor figures that 550 selected commodities have declined

(Concluded on page 7, column 1)

WORK ACCOMPLISHED BY ASSEMBLY SESSION

League of Nations Body Adjourned After Discussing Armaments And Other Problems

SUMMARY OF ITS ACTIVITIES

Definite Actions Few, but Many Plans Made for Future Cooperation

On the afternoon of September 29 Nicolas Titulesco, president of the Twelfth Annual Assembly of the League of Nations, let fall his gavel to declare the session closed, and the hundreds of delegates who had gathered at Geneva from 52 of the nations which are members of the League scattered to their homes and normal occupations. With the Assembly over, the League Secretariat, permanently quartered in the little city where the Rhone flows out from Lac Leman, settles down to the detailed and often difficult business of executing the instructions which the League's parliament has laid down for its operation during the forthcoming year.

The League Membership

Delegates from 52 member-states left Geneva at the close of the deliberations, though there were only 51 present at the opening of this Assembly, on September 7. The addition came through the entrance of Mexico into the League on September 12, following the extension of a unanimous invitation to that end from the League membership represented in the Assembly. The Mexican entry, which was signaled in that country by the publication of an article by President Rubio urging the United States to join up also, served to balance the absence from this Assembly of three Latin-American members: Argentina, Honduras and Salvador. All told, 55 nations are now members of the League, including all the important powers except the United States, Soviet Russia, Turkey and Brazil. The last named, which gave notification of withdrawal from membership in 1926, continues to belong to the International Labor Organization, which is an autonomous technical arm of the League. And current opinion in Geneva strongly inclines to the view that Turkey may be expected to assume membership during the 1932 Assembly.

An interesting and little-known item of history was recalled by the wording of the Assembly resolution inviting Mexico to join. This "considered as an omission which should in justice be repaired, the fact" that Mexico was not invited to join the League as an original member in 1919. At that time neither the United States nor Great Britain were on cordial terms with the existing Mexican government, and it was on the recommendation of President Wilson and Lord Robert Cecil that our southern neighbor was point-

edly omitted from the list of neutral countries invited by the Peace Conference to accede to the League. At the recent Assembly Viscount Cecil publicly regretted his share in this episode, which for nearly 12 years made successive Mexican governments hostile rather than friendly to the League. In the upshot, Mexico has had a neat revenge. In his formal telegram of acceptance of League membership, the Mexican foreign minister states that his country "has never recognized the regional understanding mentioned in Article 21 of the Covenant." This is the Monroe Doctrine, for recognition of which in the League's Constitution President Wilson fought successfully at the Peace Conference. It is very noteworthy that with the United States not a member of the League Mexico has been welcomed to membership in spite of her formal repudiation of the Monroe Doctrine as a "regional understanding."

League Economy

While Mexico's entry into the League was the most dramatic event of the Twelfth Assembly, all of its sessions were overshadowed by the effects of the worldwide depression. The prevalent psychology was strikingly apparent in the efforts of the Fourth Committee of the Assembly, charged with oversight of the League budget, to economize in every possible way on League expenditures. The entire League budget for 1932, including the costs of the International Labor Office, the World Court, and the equipment of the forthcoming Disarmament Conference, was scheduled at just over \$7,000,000. While this seems a very trivial sum for the expenses of an organization with the scope of the League of Nations, being less than one-quarter of the outlay represented in the building of a single battleship, the budgetary program came under sharp criticism from a number of the delegates and was finally curtailed by more than half a million dollars.

The argument on the issue was not altogether one-sided, and after a sharp economy speech by the leading delegate from New Zealand, the secretary general pointed out that the contribution of that country to the League is only 1/20 of 1 per cent of its national budget, a fraction which is indicative of the amount the League of Nations costs its members. After the debate, there was agreement that the disarmament, health, economic and financial work of the League must not be curtailed by reason of the present crisis, but that economies should be made at the expense of less significant activities. There has in past years been a certain tendency for the League of Nations to expand its program into relatively unimportant lines of international coöperation, and a result of the economy campaign would seem to be a greater concentration on issues of prime importance.

For Depression Relief

Among the specific activities sanctioned by this Assembly for coping with the present depression may be cited an investigation into the feasibility of public works as an international relief measure. Certain projects, such as the

construction of hydro-electric plants in Switzerland serving electrification needs in adjacent countries, would seem capable of absorbing some of the unemployed of these countries in proportion to the amount of capital contributed to the undertaking by the countries benefiting therefrom. It was also argued that there is considerable scope for the development of large-scale public works in China in which the capital and to a certain extent the technical labor could be contributed by nations coöperating in a general League program. It is not unlikely that the studies which have been initiated by the League on these lines will lead to a considerable development in the novel field of international public works.

The Assembly also authorized a scientific inquiry into the Russian proposal for a treaty on economic non-aggression, designed not merely to clear

volving an increase in their armaments" for the period of one year from November 1 was unanimously adopted by the Assembly on September 28. The move by President Hoover to eliminate our naval construction program for the forthcoming year is directly in line with the letter and the spirit of this resolution, and will doubtless be followed by similar economies on the part of other leading military powers. The success of the League's "armaments holiday" request in reality depends on the action taken by our Congress in this direction. Should this country proceed with the "treaty navy" program desired by our Navy Department, it will be impossible for other members of the League to carry out the truce which was agreed upon as desirable at Geneva.

A development of considerable importance with reference to the relations of the United States and the

formerly Chinese minister in Washington, and now that country's minister to Great Britain, pressed strongly and with considerable logic for definite League action in view of the strong evidence of Japanese aggression on Chinese territory. The Japanese representative, Mr. Kenkichi Yoshizawa, argued that Japan had no aggressive intention, and that the incursion of Japanese troops on Chinese soil had been forced by Chinese offenses against Japanese Nationals for which the latter country had been unable to secure redress. In view of the Japanese assurances that all troops were being withdrawn, the Council on September 30 adjourned its emergency meetings until October 14, by which time it expects to receive a report that the non-treaty areas in Manchuria are evacuated and the threat of war dissipated. The Chinese claim for damages to be exacted from Japan is still an unsettled issue, however.

The Manchurian crisis again demonstrated the impossibility of any real American isolation from League action. Our government was asked by the League to send notes to both Japan and China supporting the position taken by the Council, and this request was complied with. Secretary Stimson also informed the Council that "the government of the United States is in wholehearted sympathy with the attitude of the League of Nations" in the Manchurian crisis.

By an interesting coincidence, shortly before the Sino-Japanese dispute flared out, China, together with Spain and Panama, had been elected to membership on the League Council for the next three years.

Minor Actions

Among the more interesting of the minor actions taken by the Twelfth Assembly were the laying of plans for the establishment

of a League airdrome near Geneva and the reports on the progress of the wireless station which the League some time ago decided to maintain at that city. The progress of the Federated Europe idea was continually before the Assembly in one form or another, and it was as continually insisted that any development of the "United States of Europe" must not be allowed to run counter to the larger ideal of completely international coöperation sought by the League.

Arrangements for further financial assistance to Austria were completed, and among the more interesting conventions concluded by this Assembly for the consideration of the member-states was one providing for the protection of whales from indiscriminate slaughter. The Assembly postponed for further consideration the question of amending the League Covenant to make its outlawry of war as complete as that embodied in the Kellogg Pact.

It also considered at some length the difficult issues involved in the transition of a territory under League mandate to the status of independent statehood. It is expected that the former Turkish territory of Iraq, now under British mandate, will be accepted by the League of Nations as an independent state perhaps at the next session of the Assembly.

FELIX MORLEY.



DISARMAMENT COMMITTEE OF LEAGUE ASSEMBLY

the channels of international trade but also to eliminate the bad feeling aroused by the charges of national "dumping" which have been increasing during the depression period. An interesting suggestion by the delegate of Haiti, in view of the belief that the League is unimportant in Latin America, was that the Economic Committee should initiate studies for remedial action by the League in the economic crisis as it affects South and Central America.

Disarmament Preparations

Another issue of outstanding importance at this Assembly was the forthcoming Disarmament Conference. Delegate after delegate, both on the floor of the Assembly and during the different committee meetings, emphasized the necessity for success in this conference both to prevent the critical economic situation from becoming worse, and to save the League from the almost fatal blow to its prestige which would result should this conference fail to achieve a substantial measure of success.

Early in the sessions, Signor Grandi, the Italian minister of foreign affairs, and leading delegate for that country, advocated a universal truce in all military preparations for at least the duration of the conference. A resolution requesting all the governments of the world "to refrain from any measure in-

League took place in connection with the disarmament discussions. The non-member states were asked to designate representatives to sit on the third committee of the Assembly, which concerns itself with disarmament. The first country to accept this invitation was the United States and Mr. Hugh Wilson, American minister at Berne, sat on this committee of the Assembly during the latter part of its sessions. Proponents of American membership in the League were quick to remark that the gap between American representation on a committee of the Assembly and American representation on the floor of the Assembly itself is not a very wide one.

The Far Eastern Question

During the Assembly sessions the Sino-Japanese clash in Manchuria broke upon the League like a thunderbolt in an atmosphere already overcharged with storm clouds. The issue was not formally discussed by the Assembly because, under the normal procedure, it went in the first instance to the Council, which is in session for most of the Assembly period.

On September 22 a special meeting of the Council was called on the Manchurian crisis, in which the Chinese and Japanese representatives were called upon to state their cases. The Chinese representatives, Dr. Alfred Sze,

Former Ambassador Urges Youth To Study International Affairs

"Tasks of World Leadership Now Confronting the United States" says Henry Morgenthau in Statement To The American Observer

Henry Morgenthau is a leading figure in the professional and business world. He became chairman of the finance committee of the Democratic National Committee in 1912 and in 1916. In the meantime (1913-16), he was ambassador to Turkey, and in the last two years of the same period in Turkey, had charge of the interests of Great Britain, France, Italy, Russia, Belgium, Montenegro, San Marino, Serbia and Switzerland. He served in the commission appointed by President Wilson in 1919, to study conditions in Poland and was nominated ambassador to Mexico in 1920. The League of Nations appointed him chairman of the Greek Refugee Settlement Commission, that had charge of settling the 1,250,000 Greek refugees from Turkey. The head of a number of organizations, he has had prominent roles directing international relief, and has received honors from the governments of France, Great Britain, Greece, and Belgium. This in one of a series of statements prepared exclusively for THE AMERICAN OBSERVER by prominent figures.

We are the heirs to a country of continental extent which from the first days of white settlement has always been brimful of energy, mentality, and ability. We possess a climate which above those of most lands aids the development of national virility.

The United States will escape the crushing financial difficulties now working such havoc among most of the powers. As a nation we have no permanent hatreds and no overwhelming foreign competition to absorb our strength fruitlessly. We have some unfortunate local problems to solve and we have made



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HENRY MORGENTHAU

some very serious recent mistakes, among which I would name prohibition and the tariff. But national common sense—not the least of our assets—will eventually master these temporary problems.

In time the United States will have cleaned house after the chaotic conditions which everywhere followed the war and those who abused positions of trust, like those who over-reached themselves by wasteful and indecent speculation, will have been relegated to their former status and business will sober up.

But the United States can never again resume its isolation, never again revert to its pre-war provincialism. We have become a world power and a great creditor nation. We must remain so cheerfully and manfully, assuming all the responsibilities that go with this new position in international affairs.

It is the task and duty of our rising generation to see that this great giant of the western hemisphere uses its strength, helpfully and cooperatively. There is no room in our civilization for a new world bully.

Accordingly the citizens of tomorrow must use their brains to fit themselves for the new tasks to which destiny has called their country. We must, of course, continue the leadership already assumed in productive enterprise, development of communications, application of science to facilitate fuller lives, maintenance of a standard of living which provides means and leisure for intellectual advancement. Such progress is the more important because the United States is no longer an infant nation. We have reached maturity and the older countries are keenly watching to see what we shall do with the training we received in developing our country from its protected childhood. The rest of the world is especially curious to see how we have been affected by the postgraduate course we received in the international school during the great

war and since. Personally, I too am filled with deep curiosity to see how we shall grasp, for grasp we shall, our responsibility.

At this time, therefore, it is of fundamental importance that the horizon of the youth of America should be extended to the entire world. The financial, economic, and political inter-relations of some 60 states composing the world community are very intricate and complicated. No superficial study will enable anyone to understand them, still less to further the worthy role we wish to see our country play in the great work of international cooperation. The stage to which we are called requires a thorough study of the growth and history of the various nations, of their relations to their neighbors, of their ambitions and necessities, of their inherent strengths and of their weaknesses, of their shifting combinations with and against each other. Not least, it requires close consideration of the efforts of the various governments to adjust themselves cooperatively to the new conditions following the great war. In this connection I would mention the decision of Mexico to join the League of Nations as one of profound significance to this country, and to future evolution of the Monroe Doctrine.

Within the memory of all of us, whole empires have disappeared and new nations have been created. The war-time destruction of \$250,000,000,000 of property has left a terrific void in many parts of the world. The parliamentary system of government is on trial as never before, and throughout the East the rise of Nationalism is convulsing the old methods of Imperialism. And of course there is ever before us the great economic and social experiment in progress in Russia, with all its significance for modern civilization.

Whatever may have been the case in the days of George Washington the United States is today so intertwined with the rest of the world community as to make the study of our international relations a challenge to and a duty for our best minds. It is to the younger generation, free from the innate provincialism of a past era, that we must turn for assistance in forwarding this national task.

I sometimes wonder if the generation of

Americans now in college realizes that the entire world is looking to us to lessen our past concentration on material prosperity in return for a wider part in the preservation of contemporary civilization. We frequently pay tribute to the pioneers who in this country suffered privation and hardships to establish here liberty for themselves, their children and their children's children. We are the posterity for whom these earlier generations worked. In return it is our duty to consider the posterity which will follow us, and whose position in the world will largely be determined by the decision, enterprise and intelligence with which we rise to the later tasks of world leadership now confronting the United States.

Finally, I would say without fear of contradiction that no study could be more interesting, no intellectual pastime more absorbing for the youth of today, than consideration of the manifold international ties which link the destinies of us all to that of the World Community as a whole.

PAN-AMERICAN MEETING

Representatives of the 21 American republics met in Washington on October 5 to open their fourth Commercial Conference. The crucial economic problems now confronting the nations of the American continent were the principal topics of discussion. Secretary of State Stimson opened the conference with an address of welcome to the 500 delegates. The United States delegation was headed by Robert P. Lamont, secretary of commerce, and Silas H. Strawn, president of the United States Chamber of Commerce.

The paramount subject of discussion of the conference, which lasted until October 12, was the elimination of trade barriers. The Pan-American Union considered as the most important barriers high customs tariffs and restrictions of imports and exports. Many of the delegates attacked high tariffs as one of the causes for the slowing up of inter-American trade during the past year and one-half. From the outset, the conference endeavored to take steps to remove these artificial hindrances to trade. The Cuban delegation, backed by other Latin-American representatives, recommended the adoption of a two-year truce on customs increases.

THOUGHTS AND SMILES

Where there is much desire to learn, there of necessity will be much argument, much writing, many opinions; for opinion in good men is but knowledge in the making.
—John Milton.

The way the French have taken Berlin is better than the Napoleonic method—if not so spectacular.
—Boston Transcript.

The reason the road to happiness never has any traffic jams is because the detours always look so much more attractive.
—Cincinnati Enquirer.

If you will not have affliction visit you twice, listen at once to what it teaches.
—Burgh.

We have a sneaking idea that the great powers will be willing to get together when they are convinced that they can't get more separately.
—Boston Herald.

The hope of the disarmament conference lies not in the statesmen of the world, but in the peoples of the world.
—Newton D. Baker.

I doubt whether the exclusive pursuit of power is the best road to happiness.
—Bertrand Russell.

Business depression is said to run in cycles. If this is so, it would seem that a little heavy pedaling on the buy-cycle would enable many to get out of the ruts and speed along the road to prosperity.
—Christian Science Monitor.

A financial writer says that the slump has had a very sobering effect on Wall Street. Money, however, is still very tight.
—London Punch.

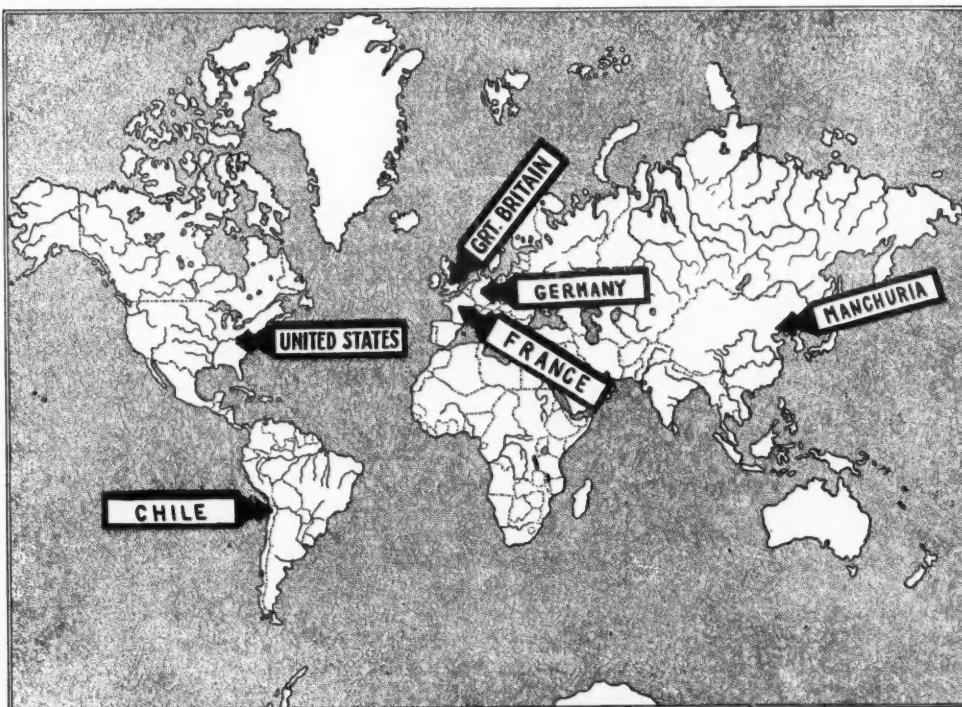
The thing that is now worrying British statesmen is that the English pound is down to eleven ounces.
—Dallas News.

The volume of mail handled by the United States postoffice is 15 per cent above that of last year, which may be a sign of better times, unless one-half of the letters are asking for help and the other half saying "No."
—Detroit News.

A warehouse fire which threatened to destroy several million bushels of Kansas wheat was extinguished before it could do much good.
—Life.

PRONUNCIATIONS

Titulesco (tit-you-les'ko), Ortiz Rubio (or-tees' roo-bee-o), Cecil (sess'il), Grandi (grahn'dee), Kenkichi Yoshizawa (ken-kee'-chee yo-shee-zah'wah), Iraq (ee'rahk), Axenstrasse (oks'en-strah'seh).



The United States—President Hoover proposes plan to relieve banking situation; France—Premier Laval prepares to visit America; Great Britain—Election campaign under way; Germany—Brüning faces test in Reichstag session; Chile—Election of Dr. Montero to presidency eases troubled political situation; Manchuria—Relations between China and Japan remain at critical stage.

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WEDNESDAY, OCTOBER 14, 1931

REVIEW OF THE WEEK

THE death of Senator Dwight W. Morrow of New Jersey removes from the public life a man whom the nation cannot well spare. The period of his official service was brief. Two years as ambassador to Mexico, two important assignments of a few weeks each on international commissions, a little while in the United States Senate—that was all. Time was not given him to identify his name with concrete proposals looking toward the solution of many national problems. But in the short years of participation he brought to diplomacy and to politics a spirit of such simplicity, such straightforwardness, such reasonableness, that he was establishing a promising leadership in American political life.



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DWIGHT W. MORROW

Senator Morrow was a man of sound judgment. His conclusions may not have been right at all times. But they were the products of sane, honest, critical reasoning. His political views were not novel. They were not at all unusual and his exposition of them was characterized by no great brilliance. But his political utterances were marked by a degree of fairness and reasonableness quite out of the ordinary.

His first conspicuous public service was rendered in Mexico. He had sensible ideas about the settlement of disputes outstanding between the United States and that republic. But even more significant was the means by which he sought to give them effect. Probably few people, either in Mexico or this country, remember Morrow's position regarding the Mexican petroleum law—the legislation which was so injurious to American oil interests. But many do remember the way he went about it to smooth out the relations between the two nations. He studied and respected the views of the other side. He threw formality aside and dropped in on the Mexican president frequently to talk things over as man to man. He was not suspicious. He trusted the Mexican officials, and soon they were trusting him. In the atmosphere of informality, of mutual respect and fair play, problems which before had defied solution, were soon on the way to settlement.

Senator Morrow approached the problems of domestic politics in the same spirit. With respect to prohibition his attitude was quite unusual. There was nothing unique about his conclusion that the eighteenth amendment was a mistake. Others had said the same thing. But here again his at-

titude was provisional, experimental, reasonable. His conclusion may have been right or it may have been wrong. That is a disputed question. But there should be no dispute about the desirability of discussing the matter as Senator Morrow did, without bigotry or bitterness or vituperation. He was sincerely opposed to the liquor traffic and favored any means which would most effectively restrict its influence. He was willing to consider open-mindedly what means might best serve that end. His opposition to the eighteenth amendment was based on a belief (which whether correct or not was sincere) that it did not bring about the desired result.

It is often said that no man is indispensable and of course that is true. So complex and multitudinous are the forces which together go to shape the national destinies that the actual influence exerted by any one individual on the course of events is naturally limited. But at a time when calm and competent counsels seem especially needed, Dwight Morrow will be missed.

PRESIDENT Hoover held an important conference on the evening of October 6 with prominent congressional leaders of both parties. The purpose was to secure support for a program which the president hopes will help break certain effects of the depression. The president is concerned about a credit situation which has developed in certain sections of the country. People have become alarmed regarding the safety of the funds which they have in banks. In most cases the alarm is without foundation, yet it has a serious effect upon the banks, for the depositors withdraw their funds. Many banks have been forced to close their doors because of these runs. Other institutions, in order to meet the unusually heavy withdrawals of the depositors, are obliged to keep a great amount of their money on hand; that is, they must keep it in liquid form. They cannot put it out on long-time loans because they do not know in what great quantities money will be demanded by depositors.

The banks are thus placed in such a position that they cannot grant loans readily to business men who may need to borrow. The effect is to slow up business and prolong the depression.

As a means of remedying this situation President Hoover suggests that the bankers of the country form an institution with which they shall deposit money. It is expected that a fund of \$500,000,000 will be created in this way. This fund will be used to make quick loans to banks when these banks find themselves in a tight situation. If the banks know that in case their depositors make unusual demands upon them, they can apply for a loan from this central fund, they will not be compelled to keep so much of their money in their vaults unused. They can adopt a more liberal policy of lending to their patrons without putting themselves in danger.

The question may arise as to why a fund of this kind must be created, when it was supposed that the federal reserve system would handle such cases. The purpose of the reserve system, or one of the purposes, was to develop a surplus of funds and to lend these to banks which might need them when their own money was tied up in loans. The reason the federal reserve system is inadequate at this time is that there are very definite restrictions upon the terms of the loans the federal reserve

banks may make to member banks. The kind of security is rigidly specified and it is of such nature that many of the banks needing money cannot meet the conditions. President Hoover is going to propose to Congress next winter that the laws governing the federal reserve banks be changed so as to allow them to be more liberal in their lending to member banks. Meanwhile it is proposed that the bankers themselves create the fund of \$500,000,000 for the relief of banks in regions where the credit situation is unsatisfactory.

ON THE occasion of the meeting of the American Federation of Labor in annual convention at Vancouver, the executive council of that organization made public a labor policy which was submitted for approval to the delegates. The five-day week is recommended in order to spread out the demand for available jobs.



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WILLIAM GREEN
President of A. F. of L.

The idea is that instead of discharging part of the workers, the employers should keep all the men in the service, but should cut down the number of hours worked by any of the men. Another proposal is that child labor be prohibited. Among other proposals are that the present scale of wages be maintained, that public works be carried on to furnish more employment, that preference should be shown to workers with dependents, and that relief for the unemployed be given from public as well as private funds. It is significant that the council declares against compulsory unemployment insurance.

THE coming visit of M. Laval to the United States is assuming increasing importance in the light of a statement made by President Hoover on October 7 after his conference with congressional leaders. The President said:

Premier Laval of France is visiting the United States. It is my purpose to discuss with him the question of such further arrangements as are imperative during the period of depression in respect to intergovernmental debts.

This statement is taken to indicate that the president is giving serious consideration to the advisability of extending the one-year moratorium which he proposed nearly four months ago. But if such a step is taken, it appears that it will be only after an agreement has been reached with France. The delay occasioned by French objections to Mr. Hoover's moratorium plan last June is held to have lessened in its value. It was hoped that the proposal would at once restore confidence, but the grave uncertainty which prevailed for two weeks while negotiations with France were being carried on, prevented this result. President Hoover is doubtless anxious to avoid a repetition of this unfortunate incident, and will accordingly thoroughly discuss the problem of a moratorium extension with M. Laval before making any definite proposal. The arrival of the French statesman in the United States is therefore awaited with great interest.

A GENERAL election will be held in Great Britain on the 27th of October. British electoral procedure is direct and swift. When the election takes place, only three weeks will have elapsed since Parliament was dissolved.

At the head of a "National Party," composed mainly of Conservatives bolstered by a group of 22 Liberals, Ramsay MacDonald will ask for a free hand to deal with the situation in Great Britain. The people will be requested to give their verdict on the National Government. The election, it seems, will be bitterly fought. Labor will be united in its opposition to what it considers to be a Tory government disguised as a National government. The Liberal party is split. A part of it has pledged unqualified support to Mr. MacDonald. A part, led by Lloyd George, is bitterly opposed, not only to MacDonald, but to any election at this time. The situation in Great Britain is admittedly complex. While it seems that the national party will meet with success at the polls, no accurate forecast can be made.

A POLITICAL crisis is impending in Germany as the Reichstag comes into session this week. It is expected that the policies of Chancellor Heinrich Brüning will be subjected to an attack by the Nationalists and National Socialists. These two more extreme factions are strongly opposed to the policy of moderation which Dr. Brüning has pursued. The Brüning opposition has been particularly incensed over the failure of German diplomacy throughout the summer months, especially with respect to the ill-fated customs union project with Austria.

In order to consolidate the government's position Dr. Brüning took decided action last week. He first accepted the resignation of Dr. Julius Curtius, foreign minister, who has been blamed for the ineffectiveness of German foreign policy. Following this, it was announced suddenly that the Brüning cabinet had resigned. Dr. Brüning immediately accepted a mandate from President Von Hindenburg to choose a non-partisan cabinet, its members to be selected, not on a party but on a personal basis. With this new and united front Dr. Brüning hopes to weather the parliamentary storm. The storm will be a severe one. Reports from abroad indicate that Dr. Brüning will manage to win the support of the Reichstag but with a narrow margin of votes.



"A VERY PUZZLED OLD GENTLEMAN"
—Kirby in N. Y. WORLD TELEGRAM

Several plans for better ordered industry have been suggested recently by prominent business men. Among these are the Swope plan and the plan for industrial cooperation brought forward by a committee of the U. S. Chamber of Commerce. The traditional complacency of business leaders seems to be giving way to a feeling that much needs to be done before our economic machinery will work satisfactorily.

THE title of George Seldes' new book is indicative of the unusual character of the subject treated. "Can These Things Be?" (New York, Brewer and Warren, \$4.00) calls to our attention many angles of post-war Europe of which we have heard very little. The author became known during the war as foreign correspondent for 35 American newspapers. For 12 years he travelled from one end of Europe to the other. He was an eyewitness to many of the scenes of turmoil which have swept over many countries since 1918.

"Can These Things Be?" is not a study of Europe since the war from the conventional point of view. Mr. Seldes does not attempt to portray the various political and economic upheavals as the American reader knows them, but as an American foreign correspondent has seen them. The point is made that the gathering and dissemination of news is a very different process in most European nations from what it is in the United States. The author says:

My conclusion is that in the United States, Canada, Great Britain, and perhaps one or two of the smaller European nations, the reporter is a collector and writer of news; on the Continent . . . the newspaper worker is very often a corrupt politician, a grafter, an agent for oil, munitions, or other interests seeking to fool the public, and almost always a propagandist for one party or another.

There are many factors which contribute to this corruption. In the first place, many of the foreign newspapers receive substantial subsidies from political organizations, and as a result the news which is published must be tempered. It is claimed that practically every newspaper in Europe is a propagandist for one cause or another. The author holds that this is especially true in Italy, and that no reporter is free to express anything which differs from the views of the Fascist regime.

It is claimed that corruption of the press is not confined to the national publications, but that correspondents writing for foreign journals are subject to its influence. As an example, Mr. Seldes cites the "bribery" which is used in Italy to insure articles favorable to Fascism. The government offers 5,000 words free each month to foreign editors or writers. In return, they are expected to send out only such news as is favorable to the policies of the government. It is stated further that many of the foreign newspaper representatives in Italy are either Italians or men who are pro-Fascists. As a result, the news which goes to the United States is distorted or partially suppressed. The effect of this condition in countries under a dictatorship is summed up by Mr. Seldes:

. . . The inevitable suppression of a free press stopped public criticism and enabled the dictators to escape unpunished for every act of vandalism.

Much of this book is devoted to the rise of dictators in Europe since the war, and the effect of this form of government upon democracy. Dictators have caused literal "reigns of terror" in many countries, the author tells us. There is only one exception—Kemal Pasha of Turkey. It is pointed out that under his tutelage, constructive and beneficial results have been possible in Turkey. Speaking of the general conditions existing under dictatorships, it is said:

Never before in history have the foul jails, the frozen Arctic wastes, the Siberian wildernesses and the waterless islands of Europe been so filled with political prisoners. Never before has there been so much unrest in so many countries at one time. Never before has political opposition, the standard

bearers of progress and civilization, been held so intolerable by rulers, and never has such rigid repression of movements for freedom or independence been the reply of those holding armed power.

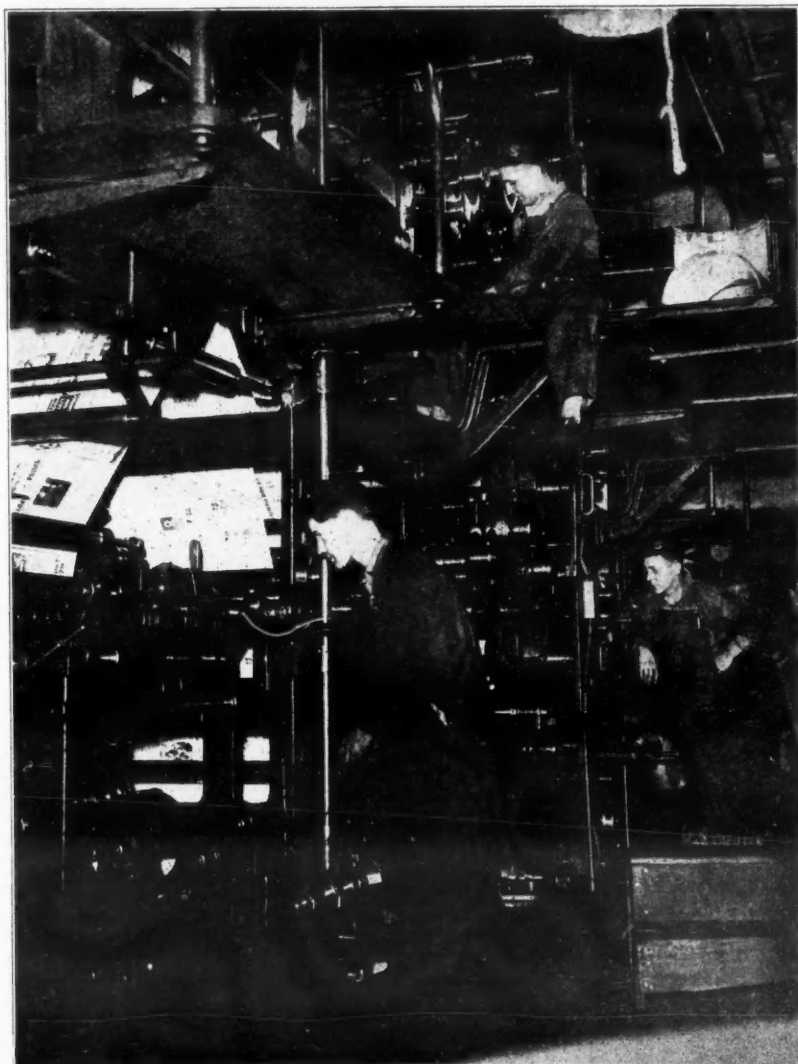
The countries in which the reign of terror is most pronounced are, according to the author: Italy, Russia, Poland, Hungary, Yugoslavia, Spain, Lithuania, Albania, and more recently, Germany.

This book is not a calm and dispassionate treatise on the status of European journalism. It is emotional, sensational, almost frenzied in tone at times. But despite the excited manner of presentation, it has solid merit, for it does furnish information which will

he worked among students of Japan, China, Korea, India, Russia and the Near East.

In his new book, Mr. Eddy treats seven phases of the Oriental problem, as represented by seven countries—India, China, Japan, Korea, the Philippines, Turkey and Palestine. The sections devoted to Japan, China and the Philippines offer an excellent background for the present issues brought to light by the Sino-Japanese trouble in Manchuria and the movement for independence among the Filipinos.

Japan, as leader of the Orient, impresses Mr. Eddy by "the poverty of the country and of the people them-



TRUTH OR PROPAGANDA?

George Seldes in his book "Can These Things Be?" describes the methods by which the press of the different nations distort the news and give people a false picture of reality.

be new to most Americans—information which may help one to pick his way more carefully among the confusing and often perverted stories and rumors which circulate under the guise of news.

MORE ABOUT THE EAST

Sherwood Eddy has just written a new book on the Far and Near East, "The Challenge of the East" (New York, Farrar and Rinehart, Inc. \$2.50). The publication of this book is particularly timely in view of the troubles which are, and have been, shaking the very foundations of so many countries in the Asiatic region. The author is well qualified to give us first-hand information on conditions in the East. He has spent more than 30 years in Asia, and has written many books dealing with Asiatic conditions. Before the war he was a national secretary of the Y. M. C. A. in Asia, and for 15 years

selfes together with their titanic accomplishments." Due to the rapidity with which she has accepted Western methods and civilization, Japan may prove to be the synthesis between the "scientific control of the West and the inward spiritual detachment of the East." The author points out the economic difficulties of Japan by comparing her resources with those of other great nations. The lack of raw materials is one of her principal handicaps. Not only must she import coal, iron, timber and oil to support her industrial structure, but the raw cotton which feeds one of her important industries must come from abroad. The arable land is insufficient to support her population, the densest in the world, and foodstuffs must be imported in increasing quantities.

In the section dealing with the Philippine question, Mr. Eddy makes an appeal for independence. After exam-

ining conflicting arguments, he concludes that the United States should grant the islands their freedom.

IN RUSSIA

Frank Jewett Mather, Jr., in "Glimpses of Russia," in the October number of the *Atlantic Monthly*, paints a novel and an interesting picture of Russia, its people and its scenery. He reports that he received a friendly and hospitable reception in a country where he expected "to feel" himself "painfully an alien." Particularly interesting is his description of the May Day celebration in Moscow, in which "magnificent young troops" passed in review before Lenin's tomb in the Red Place followed by 50,000 or 60,000 union workers and children, neatly dressed and bearing Red banners. The procession ended with a group of satirical floats, in which priests and capitalists were ridiculed.

In the region of Kiev the author basks in the glories of the picturesque countryside. In an obscure place he finds a former count and his wife in charge of the Ukraine Museum, a fact which proved to him that all nobility had not been done away with by the Revolution. While attending services at the Cathedral of Santa Sofia he realized that the audience was composed largely of elderly people—the majority of whom were over 40. This brings evidence of the irreligious and anti-religious attitude of youth; an attitude which present-day education in Russia is encouraging.

THE IMMIGRANT QUESTION

In "The Land of Promise," an article in the October *Harper's*, we find an unusual proposition concerning the immigrant question suggested by one who came to this country in 1913. Though he professes to be satisfied that he has done as well here as he would have in his native Carniola, Louis Adamic urges that America shut the immigration gates entirely, barring all but near relatives, in order that "she may find her way out of her present economic jungle." He contrasts the immigrant's dream of "the land of promise" with the realities he has been forced to face since American industrialism has replaced the cheap foreign labor with machinery.

While many immigrants would be as poor in their native lands as they are in the United States, they would not be so worn out physically by their toil on their small farms as they are after years of long hours in factories and mines. Mentally, they would be happier in their own country than they are in a foreign one where they are afraid every one will take advantage of them. When it is necessary to dismiss labor, Adamic maintains that the foreigners are released before the native Americans, who usually have some connections, fraternal or church, which keep them their places. As all the legitimate occupations are filled with native citizens, it is not surprising that the bootleggers and racketeers are foreigners. He concludes by saying that even though America might have room for immigrants geographically, she has not economically and that by closing the gates to all she is doing a favor both to herself and to others.

"News is that inexact measure with which gentlemen known as newspaper editors or journalists seek in their fumbling but usually well-intentioned fashion to chart the ebb and flow of the tides of human aspiration, the ignominy of mankind, the glory of the race," writes Stanley Walker in the October *Forum*.



WE come this week to a consideration of the American Revolution. What was there about that struggle which left a permanent imprint upon American national character? How can the events of those dramatic years be correlated with the problems of our own modern and far more complex day? By way of analyzing this period we are bringing you the interpretation of James Truslow Adams, who deals very effectively with the subject in chapter three of his new book, "The Epic of America." Mr. Adams sees the Revolution in a double aspect. It was a movement, to be sure, for separation from the mother country. It was a secession from the empire. At the same time it was a revolution—an upheaval—on the part of the lower classes in the colonies; that is, among the poorer people. And insofar as it was a surging of the masses, it was directed not only against England but against conservative rule on this side of the water.

Meaning of the Revolution

This is not an original interpretation. Jameson has long ago established the fact of class struggle as one aspect of the Revolution. McLaughlin has emphasized the point and so have many other American historians. But the idea has not been widely recognized by students of history, and it needs reiteration. Adams has handled the subject very well, and we recommend his book quite heartily to classes of history everywhere. We shall give the book as a whole a review next week.

Let us begin our little study of the significance of the American Revolution, as Adams does, by picturing economic conditions following the French and Indian War. The cleavage of classes was accentuated by that struggle. A number of merchants and business men had made a great deal of money out of the war. Large fortunes had been built, as they always are during wars, by the war contracts for food and materials and supplies. Farmers and laborers had gained a benefit from the stimulation of business at first, for prices and wages had gone up. But after this war, as after others including the late World War, there was a deflation. Then as now the farmers were suffering; the prices of their products had fallen; land values had declined; business was depressed; laborers in many cases found themselves out of work. At the same time taxes were heavier than ever because war debts had been contracted and they had to be paid off. There was in miniature a situation not unlike that in which our country finds itself today.

There was one difference. There was a frontier. There were vast expanses of unused land beyond the mountains, and it seemed as if this might be an outlet for those who were finding life hard in the older communities. But though the frontier was there, it was closed—closed by an act of the British government. The British were anxious to avoid serious and expensive troubles with the Indians whose hunting grounds lay beyond the mountains. The French and Indian

Closing of the Frontier

War had been expensive. The policing of the frontier had been expensive, and the colonies, acting separately as they always did, could not be depended upon to do the policing. The British, then, in order to insure peace with the Indians, ordered that no more settlements should be made beyond the mountains. No more Indian hunting ground should be taken. This act of the British government, reasonable though it was from their standpoint, added to the discontent and resentment of the poor people of the colonies.

This resentment turned not only against England but against New England's speculators, against landlords wherever they might be, against creditors. Along the frontier population was lawless and rough and radical. The people were sorely pressed and discontented throughout the colonies.

Here we have a background for revolt of some kind. But the picture of this background is not complete until we bring the upper classes into it. They did not want a social revolution in America, but certain things had happened which stirred their resentment against the mother country. The British Parliament had decided that part of the expenses of policing the frontier should be met by the colonies. Part of the increasing costs of government they should share. And so Parliament, which had been regulating trade for the purpose of stimulating British industries, now began to regulate it for the purpose of raising money. The Sugar Act was passed in 1764. The Townshend Acts with their duties on imports of manufactured articles from England were passed in 1767. Meanwhile in 1765 the Stamp Act was enacted as an internal revenue measure.

For a time after this the radical element, the poorer people, the masses, were joined in discontent by the merchant classes and the wealthy people. Attention was directed to the mother country as the source of all their ills. The feeling culminated in non-importation agreements by which the colonists were refusing to buy English goods. Finally the offensive measures were repealed. Better feeling prevailed by 1770, and by 1771 the imports from Great

British Taxation Program

Britain were three times what they had been two years before. The merchant classes, the wealthier people, were now satisfied, but the agitation continued among the poorer classes. These people were led by Samuel Adams, who is called by Adams "the greatest master in manipulating the masses whom America has ever seen, except possibly Bryan." He goes on to say of this popular leader:

Opinions will always differ regarding Samuel Adams, but there can be no difference of opinion as to his consummate ability as a plotter of revolution. In all else he was a failure throughout his life. Before the years in which his manipulation of the inflammable material among the public was to give him a lasting place in American history, he had failed in law and business and public office. In after years, when constructive work had to be done in Congress in constitution making or as governor of his new state, he played a wholly insignificant part. He could tear down, but not build up. He was a fanatic, as most men are who change history, and with a fanatical hatred of England he strove to break all ties with her. Had he lived a century earlier he would have been one of the stern Puritan leaders of the type of Endicott, unyielding, persecuting, convinced to the very marrow of his bones of the infallibility of his own beliefs. But although he was a Puritan of the Puritans, the times had changed. They had become political, and in Adam's mind England and her rule had become the principle of evil in the lives of the people of God, to be fought day and night and with every weapon in his arsenal. Even when others had no wish to secede from the empire, but merely to be left in peace or to have certain inimical laws repealed, Adams early conceived the belief that the one end to work for was immediate and complete independence.

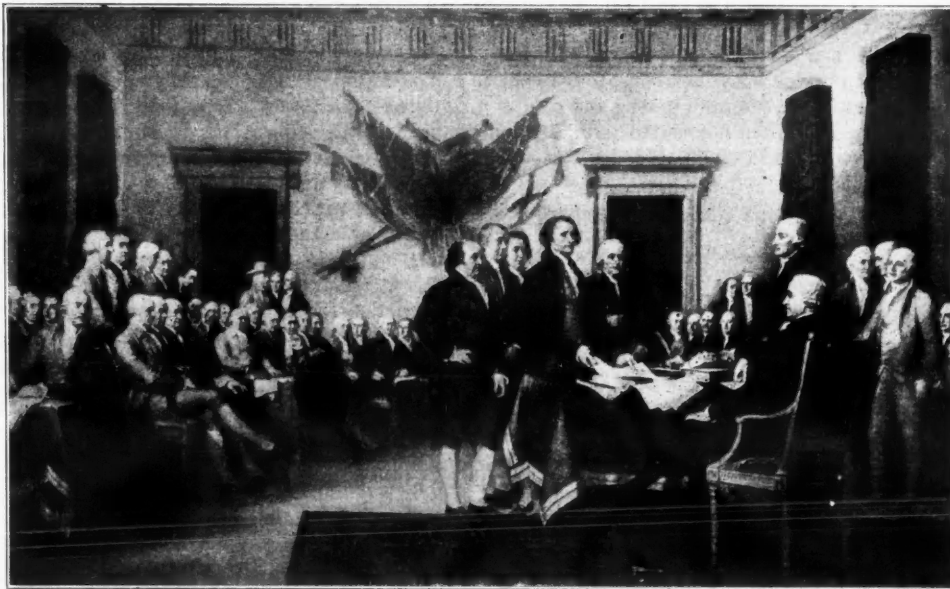
During the years after 1770 the propertied classes were worried because of the spirit of radicalism which prevailed among the poorer elements. Here was a really democratic movement which threatened to thrust aside not only the traditional authority of the British government but the traditional leadership and perhaps even the property rights of the wealthier classes. Finally, in 1773, the British government made a blunder which threw the propertied classes in America into line with the masses who were following the leadership of Samuel Adams. They gave the East India Company the monopoly on the tea trade of America, eliminating Amer-

ican merchants as middlemen. There was resentment among all classes at this. The Boston Tea Party came off. And in reply there were the acts of retaliation by the British government—acts which brought about the quite general feeling against England throughout the colonies. The agitation continued, and finally the Declaration of Independence and actual war. But still the people were not united. John Adams said that only a third of the population wanted war. James Truslow Adams thus describes the conflict between classes in the colonies:

As the times became more unsettled, as free speech was abolished, as mobbings and burnings, destruction and confiscation of property became common, the conservatives looked with horror on what might be in store for the colonies even if they won and were given over to the rule of the people without the strong arm of England to maintain order. British tyranny plus British law and order began to seem preferable to turning fortunes and families over to mobs which stole and tarred and feathered. Secession from the empire might be a cure for the quarrel with England, but where would local colonial revolution end? We must not forget that there was threat of revolution as well as secession, and it is not strange if the former appeared the more dangerous in the eyes of a large part of the conservatives, who always look with fear on the breakdown of law and order. Considering the extreme die-hard conservatism of the resolutions of the "Daughters of the Revolution" today it seems impossible to avoid the conclusion that very few of them would have been Mothers of the Revolution in 1776, when revolution meant riding the whirlwind of social disorder.

During the war the radical elements were in the saddle. The war was a revolution as well as a secession. It was not merely a sectional movement; it was not merely a break away from empire. It was a voicing of a protest from the masses. The upper classes in American society for the most part refrained from participation. This was not universally true. Many of the southern planters, such as Washington, went along with the movement, but in New England and Pennsylvania the Loyalists, or Tories, who were obliged to flee from the colonies and have their property confiscated were from among the better educated and most influential classes. "The only exodus which can be compared to this in modern historical times," says Adams, "is that of the Huguenots from France." This democratic uprising, this radical movement, had permanent effects. The whole agitation for revolution had been carried on as a movement for the natural rights of man. The undemocratic restrictions upon the franchise which had been common among the colonies before the Revolution were, of course, not in accordance with these rights.

Such divisions as those found in America during the Revolution have always prevailed. They may be found today. Sometimes they express themselves in terms of violence. At other times the conflicting interests of the classes are hushed. During prosperous times when there is considerable quantity of the good things of life to be distributed there is likely to be a fair degree of social peace. When times are hard resentments grow. Radical programs gain momentum among the dispossessed classes. The propertied classes fear commotion and disorder.



THE SIGNING OF THE DECLARATION OF INDEPENDENCE
From a Painting by John Trumbull in the United States Capitol



"NEVERTHELESS THE STRAIN IS TERRIFIC"

—Brown in the N. Y. HERALD-TRIBUNE.

REDUCTIONS OF WAGES ARE HITTING WORKERS

(Concluded from page 1)

in wholesale price 30 per cent during the five years closing last July, and that the prices of these commodities, on the average, were 16 2-3 per cent lower than they had been in July, 1930. In arriving at this figure the commodities were weighted in accordance with the importance of each article; that is, an article which was twice as important in the commerce of the country as another one, was counted twice to the other one's once in arriving at the average prices.

Cost of Living

It is not fair, however, to assume that the cost of living for the worker declined in the same proportions. The worker does not go out into the market when he gets his pay check and buy wheat and pig iron and cattle on foot and raw cotton and structural steel. He does not buy anything wholesale. He buys it retail, and he spends his money for food and clothing, the payment of the gas bills and the rent and for other items of that kind. These go to make up the cost of living to him. Now the cost of living has not declined 30 per cent in the last five years. It has declined 15 per cent since 1925, or during the last six years, according to figures given out this month by Ethelbert Stewart, United States Commissioner of Labor Statistics. His statement shows that wholesale prices of all commodities have fallen about 35 per cent since December, 1925, but that living costs of the American workman have dropped only 15 per cent.

Have wages fallen as much as that? No one can answer the question as to the extent of wage cuts, because accu-

rate figures covering the entire country are not obtainable. A number of manufacturing establishments make reports to the Bureau of Labor Statistics, but industry as a whole is not covered, and even in the manufacturing field the statistics are quite incomplete. As one looks over the list of cuts in wages in the various industries which made reports for the period between June 15 and July 15, he finds many decreases of 5, 10, 15 and 20 per cent. Some of the cuts have been even heavier than that, though of course a considerable number of workers are still receiving the old scale of wages. Those who are

fortunate enough not to have suffered cuts as yet, are, of course, receiving higher real wages than they did before. They are able to buy more with their money than they have ever been able to do. They are thus far profiting by the depression.

Are these cuts in wages justified? Do they represent sound public policy? In answer to these questions one hears a great deal of prejudiced comment. There are many employers who look at such a matter from no standpoint other than that of immediate profits for themselves. They are inclined to argue off-hand that wage cuts are both proper and desirable. Many workers, too, are influenced in their observations by their quite natural

wish to have as much as possible in their pay envelopes, and they may close their eyes to questions of public interest. But even those who are not affected by personal interest are in disagreement as to the wisdom of this.

For Wage Cuts

A persuasive argument can be made in favor of wage reductions. Such an argument is presented very effectively by Professor T. J. Wertenbaker of Princeton University, in the October *Current History*. He refers to the falling of prices and to the lowering of the cost of living. He argues that these falling prices have hurt manufacturers, wholesalers, retailers, and farmers. As he sees it, there can be no return to prosperity until wages are also deflated so that they will be in accordance with the new value of the dollar. He says:

It is not too much to say that those workers who retain the old dollar wage have received an actual increase in real wages of 25 per cent. The billions of dollars which such an increase entails is a burden so stupendous on the back of industry that in its present condition it is greatly to be feared it cannot stand up under it. If it were certain that after the passing of the depression the purchasing power of the dollar would sink to the level of 1928, there would be much to be said for holding on to the old dollar wage, so as to prevent the eventual lowering of the real wage. But all evidence leads to the conclusion that we are entering upon a period of permanently lower prices.

Labor, then, would do well to cooperate with employers in making such adjustments of wages as are necessary to bring the selling level down to the buying level, and so put an end to the depression. Labor is dependent upon the industrial machine for its very existence; if the industrial machine is out of gear, labor suffers.

Professor Wertenbaker is not impressed with the argument that wages should be kept up in order to maintain the purchasing power of the American people so that they can buy more commodities and thus check the depression. He points out that the workers constitute but a part of the consuming public. There are 27,000,000 farmers, and there are many others not in the laboring classes who buy goods, and their purchasing power is less when wages are kept up because high wages necessitate higher prices than would otherwise obtain. The farmers, to take but one class as an example, are suffering because of the fall of farm prices. They will suffer all the more if the industries which produce the goods they must buy maintain the old wage scales and are

thus obliged to charge higher prices for their products.

Against Reductions

On the other hand, it is argued that a reduction of wages will lead to lower prices. The lowering of prices will hurt those like the manufacturers and wholesalers and retailers who have goods on hand to sell. It will continue the movement downward of business. This, in turn, will lead to a demand for still further wage cuts. The cycle of lower prices, lower wages, still lower prices and still lower wages, will be continued. Those who hold to this point of view say that it is time to stop the cycle somewhere, and that the way to stop it is to insist on the maintenance of the present wage scales, thus arresting the downward movement of prices.

If this were done, the farmers as well as the laborers would benefit. They are hurt by falling prices. They are hurt not only because they get less for what they sell. They are injured in another way, for a very large per cent of them are debtors, and debtors always lose during a period when prices are going down. A little reflection shows how that is true. A man borrows money when prices are relatively high. When prices are high it means that a given amount of money will buy a relatively small amount. The money, in terms of goods, is cheap. The farmer, let us say, borrows \$100 when \$100 is worth 100 bushels of wheat. The prices go down. Wheat falls to 50 cents. But when he pays back his debt he pays it not in wheat but in money. In order to discharge the debt created when it was worth 100 bushels of wheat, he must sell 200 bushels of wheat. In terms of commodities it may be said that he borrowed 100 bushels of wheat and pays back the debt with 200. There are economists who believe that what the country needs more than anything else is a period of rising prices, not only because it would stimulate business, but because it would relieve debtors of burdens which are becoming unbearable. These economists are for ignoring such apparent injustices as inhere in the fact that workers may be receiving more in actual buying power than they did a year or two ago. They would do this in order to check the depression with its attendant effects.



IN ONE OF THE BETHLEHEM STEEL COMPANY'S PLANTS

The great steel companies held out for a long time against wage reductions, but last month they cut the wages of their men ten per cent.

© Wide World Photos

National Park Work Is Carried on Despite Government Economizing

States and Cities Have Harder Task Keeping up Recreation Activities; Convention Meets in Toronto to Plan Support for Projects

The United States government has not allowed the difficulty in raising money at such times as these to prevent a progressive development of the national park system. For 1931 there was appropriated for this purpose just a little under \$10,000,000, which was \$2,000,000 more than was spent the year before, and twice as much as was appropriated in 1929. Half of the money spent on the parks was used in road and trail construction. One of the most recent roads to be built is the Zion-Mt. Carmel Highway in Zion Canyon, Utah. The cost of the road, which was opened a year ago last summer, was \$2,000,000. The work on this road has been called the most spectacular feat of highway construction ever undertaken. It was modeled after the Axenstrasse, near Lucerne, Switzerland.

A new park was obtained by the government in 1930. It is the Great Smoky Mountains National Park and is located in North Carolina and Tennessee. It will not be developed by the government until all the land desired, which amounts to about 425,000 acres, has been donated. About half that much has already been given by the two states. Congressional authorization has been given for the establishment of two other national parks in the eastern part of the country; the Mammoth Cave National Park in Kentucky, and the Shenandoah National Park in Virginia. The law provides that the entire area of these parks which have been authorized must be given to the federal government. No federal funds may be used for the purchase of land. The government will spend money for improvements and buildings after the land has been donated. As a general rule the states appraise the land and secure it as readily as possible, either by donation from the owners or by purchase.

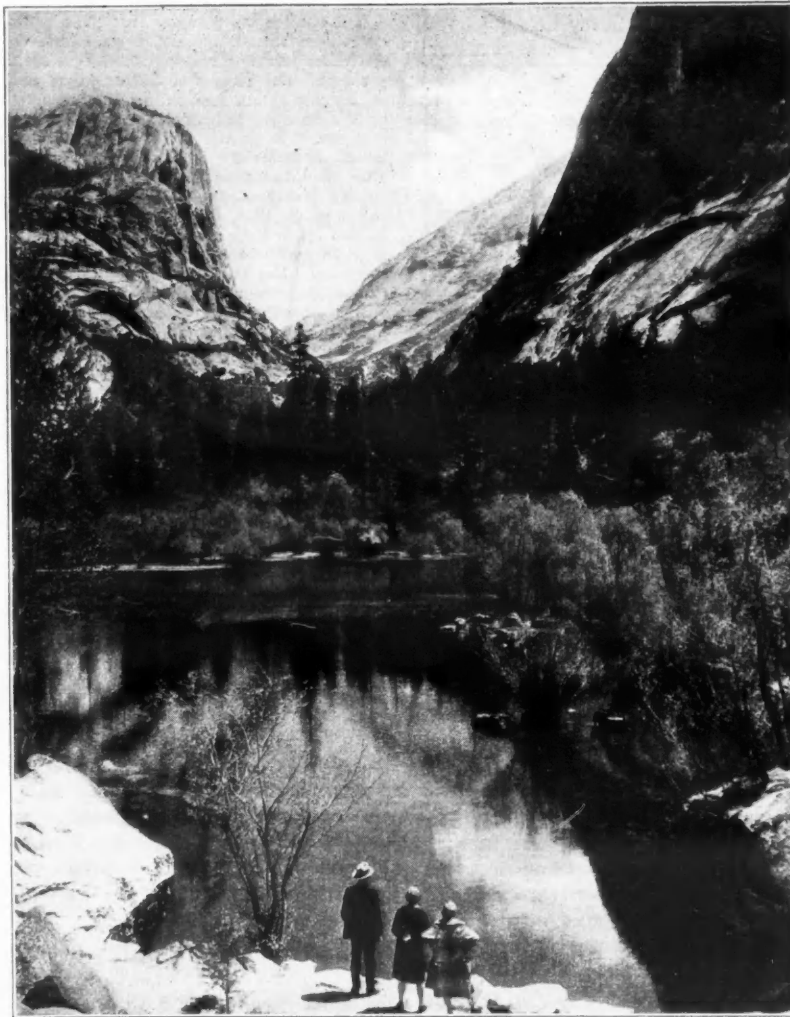
At the present time there are 20 national parks in the United States proper, one in Hawaii and one in Alaska. The combined area is 12,531 square miles. The first region set apart as a national park was the Yellowstone, which was established in 1872. Last year 2,774,561 persons visited the national parks. This was eight times the number who came in 1915.

There is a prospect that the states and cities may have a more difficult time than does the national government in maintaining recreation facilities. There are widespread demands for economy and it is possible that the amounts appropriated for local parks and other recreational activities may be cut down.

A convention devoted to this problem has been in session this week. It is the Canada-United States Recreation Congress, and the meeting place was Toronto, Canada. The governor-general of Canada was present, and many prominent men and women from the two nations took part in the discussions. One of the subjects considered was that pertaining to the costs of public recreation and to means by which recreational activities, which have been undertaken in such great numbers during the last few years, may be main-

tained during the period of hard times.

During the last year \$38,000,000 was spent for recreation purposes in this country. This was twice the sum expended six years ago. In 1927 the per capita cost of recreation in the United States was \$1.40. This is about one-tenth the total amount spent for schools, and it is over 3 per cent of the total expenses of American cities.



A SCENE IN YOSEMITE NATIONAL PARK

© Ewing Galloway

AN UNEMPLOYMENT PLAN

While federal, state and municipal governments are preparing to administer unemployment relief during the winter, some communities have already set about to handle their local problems. Grand Rapids, Michigan, for instance, has adopted a rather unique plan. More than 2,000 men have been provided with jobs and receive the equivalent of \$10,000 each week from the city. The program is financed by special bonds issues. This year two such issues have been made amounting to a total of \$500,000.

The men do not receive money for their services. Instead of the weekly pay check or pay envelope, they are paid in scrip issued by the municipal government. These notes, or promises to pay, are in denominations of 20 cents and more. They are not accepted everywhere, but are as good as money in certain stores. A city store was especially set up to distribute food and clothing to the men in exchange for scrip.

Work is given to the unemployed by means of a city employment bureau. The new jobs have been created by an extensive program of improvements. A new park has been started in one part of the city; streets are being widened, and new water lines have been laid. The men receive 40 cents an hour for their labor. However, they are paid \$1.00 in scrip for each 82 cents earned, thus being able to make larger purchases by accepting scrip instead of money.

MARRIED EMPLOYEES

Elsewhere in this paper we tell of a suggestion made by the executive committee of the American Federation of Labor, that in employing workers,

preference be given to those who have dependents to support. The idea that employment should be parcelled out in such a way as to take care of the greatest number of families has expressed itself in several ways. For example, we find in many places an agitation in favor of withholding employment in the school systems from married women teachers. It is argued that the married woman holds a position that should go to a man or to an unmarried woman. Discussing the proposal that married women be excluded from the New York City schools, the *New York Sun* raises this objection:

Aside from the legal questions involved, would the dismissal of married women workers provide an easy solution of the unemployment problem? It seems quite simple: if a thousand married teachers are discharged a thousand others would be appointed and the unemployment problem would be reduced to that extent. But would it? Where man and wife both are at work there is usually a housekeeper at home; if the wife is compelled to do her own housework one result may be an addition to the ranks of job-hunting domestic workers. Perhaps the combined earnings of man and wife help keep a child or two at college; a forced cut in the family budget might add these to the army of unemployed.

Pacific Crossed by American Fliers

Pangborn and Herndon Meet With Success in Daring Flight

The spectacular landing of Hugh Herndon Jr. and Clyde Pangborn, American aviators, last week at Wenatchee, Washington, completed the first non-stop flight across the Pacific. The total distance covered from Japan to the United States was 4,600 miles, made in 41 hours and 13 minutes. The fliers left Sabishiro, more than 200 miles north of Tokyo, October 5, at 7 a. m. (Japanese time) and landed at Wenatchee October 6, at 7:14 in the morning.

The original goal set by the fliers was Salt Lake City, Utah, a distance of 5,205 miles. This would have entitled them to the world's distance record. The record is now held by Boardman and Polando, who made a non-stop flight from New York to Turkey last summer. They landed in Istanbul on July 30, having covered a distance of more than 5,000 miles.

The success of the trans-Pacific flight was threatened by two happenings. As the monoplane soared over Dutch Harbor, Alaska, ice gathered on the wings, but the fliers were able to advance in spite of this extra burden. The other danger came in landing. The landing gear of the plane had been dropped into the sea just off the coast of Japan, in order to reduce the weight of the plane. The two fliers narrowly escaped disaster as they reached the landing field. The plane skidded along in the dust, took a nose-dive and nearly turned over. Without a landing gear the fearless aviators managed to come down without injury to themselves. It was a remarkable exhibition of skill and daring.

By successfully completing a non-stop flight from Japan to the United States, Herndon and Pangborn won a \$25,000 prize offered by the Japanese newspaper, Asahi. A representative of the paper met the fliers at the field with the check. The prize was not awarded, however, until the formal welcome and parade held in the afternoon.

A series of unfortunate events has kept the American aviators in Japan since last August. They had set out to break the around-the-world record established by Post and Gatty earlier in the summer. Their bad luck started when they reached Tokyo from Siberia. They found they had innocently violated the Japanese espionage act by flying over fortified zones in several places and taking several feet of photographic film. For several days they were held by the Japanese authorities. It began to look as if they would be unable to compete for the \$25,000 prize, previously announced by the newspaper.

One of the courts of Tokyo decided that the fliers must pay \$1,025 each or spend about seven months in prison. But some of their backers in this country cabled the money to them and their plane was released. Still other complications arose. The Japanese government ruled that a special permit was necessary before the flight could be undertaken. The United States Department of State had to intercede before permission was finally granted on September 19.